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ABERCROMBIE & FITCH CO & ANOR

v.

FASHION FACTORY OUTLET KL SDN BHD & ORS

B

HIGH COURT MALAYA, KUALA LUMPUR
RAMLY ALI J
[CIVIL SUIT NO: D5-22-172-2007]
25 SEPTEMBER 2007

C ***CIVIL PROCEDURE:*** *Summary judgment - Power of judge hearing application for summary judgment - Application for summary judgment made in names of all plaintiffs - Only one plaintiff entitled to remedy - Whether application flawed - Whether court is nevertheless entitled to give judgment for appropriate plaintiff*

D ***CIVIL PROCEDURE:*** *Summary judgment - Delay in application for summary judgment - Application for summary judgment made two months after filing of appearance and defence - Whether inordinate delay - Reason for delay explained in affidavit - Whether delay fatal*

E ***CIVIL PROCEDURE:*** *Summary judgment - Principles and procedure - Whether plaintiff has on merit established its cause of action - Whether defendant has raised any defence or triable issue - Defendant must provide evidence of its defence - Whether mere denial constitutes evidence - Whether mere bare assertion by defendant sufficient*

F ***TRADEMARKS:*** *Infringement of - Requirements to establish infringement - Fabrique Ebel Societe Anonyme v. Syarikat Perniagaan Tukang Jam City Port & Ors [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537 - Whether defendant used mark identical with registered mark -* G *Whether offending mark used without authority or license - Whether offending mark used in course of trade - Whether offending mark used in relation to goods in respect of which mark is registered - Whether offending mark used in a manner where it is likely to be taken as being used as a trade mark*

H ***TRADEMARKS:*** *Infringement of - Non-use, allegation of - Mark registered for more than seven years - Whether allegations of non-use relevant to claim for trade mark infringement - Whether sale of goods bearing a trade mark over internet or via website is a use of trade mark*

I The 1st and 2nd plaintiffs were corporations incorporated in the United States of America. The 2nd plaintiff was a wholly owned subsidiary of the 1st plaintiff. The 2nd plaintiff was the registered

proprietor of the "ABERCROMBIE & FITCH" and "ABERCROMBIE" trade marks in class 25 ("the plaintiffs' Registered Trade Marks") in Malaysia in respect of "articles of clothing, footwear, headgear, all included in class 25" ("the plaintiffs' products"). The 2nd plaintiff's Registered Trade Marks were and had at all material times been valid and subsisting. The 1st, 2nd and 3rd defendants were companies incorporated in Malaysia involved in the business of selling garments, textiles and fashion goods. The 4th and 5th defendants were the only common directors and shareholders of the 1st, 2nd and 3rd defendants. The plaintiffs filed this suit praying, *inter alia*, for a permanent injunction to restrain the 1st, 2nd and 3rd defendants from infringing the plaintiffs' Registered Trade Marks. This was an application for summary judgment pursuant to O. 14 of the Rules of High Court 1980 ("RHC"). The defendants, *inter alia* contended that: (i) the plaintiffs' application for summary judgment was flawed because the 1st plaintiff was not the proprietor of the registered trade marks; (ii) there was a delay in the plaintiffs' application for summary judgment; (iii) they were the earlier or first user of the offending marks in Malaysia; and (iv) there was non-use of the 2nd plaintiff's Registered Trade Marks.

Held (allowing the 2nd plaintiff's application against all the defendants with costs):

(1) The fact that the summons in chambers (encl. 9) stated that the application was made by the plaintiffs, without specifying which plaintiff, did not *ipso facto* make the application "flawed" as it was very clear that the application was based solely in respect of the 2nd plaintiff's claim for trade mark infringement. This was in full compliance with the requirements of O. 14 r. 2(1) RHC 1980. Moreover, the court is entitled to give such judgment for the appropriate plaintiff on any part of the claim as may be just having regard to the nature of the remedy or the relief claimed. (paras 15 & 16)

(2) The application for summary judgment was approximately two months after the filing of appearance by the 4th and 5th defendants and their defence. This was not inordinate delay. In any event the reason for the slight delay had been explained in the plaintiffs' affidavit. A two month delay should not deprive the plaintiffs of an O. 14 remedy. (paras 18, 19, 71 & 72)

(3) In order to succeed in their application under O. 14 RHC 1980, the plaintiffs must on merit establish their cause of action against the defendants for trade mark infringement and that the defendants have not raised any defence to the plaintiffs' claim or any triable issue. The onus then shifts to the defendants to show why summary judgment should not be entered against them. The defendants must provide answers on oath which constitute evidence that they have defence which is fit to be tried. Denial in a defence does not constitute evidence. A mere bare assertion by the defendants would not be sufficient. (para 42)

(4) The plaintiffs had fulfilled all five requirements as laid down in *Fabrique Ebel Societe Anonyme v. Syarikat Perniagaan Tukang Jam City Port & Ors* [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537 and therefore made out a clear case of trade mark infringement as follows: (a) The defendants used the mark identical with the plaintiffs' registered mark; (b) the offending mark was used without the authority or license by the plaintiffs; (c) the defendant used the offending mark in the course of trade; (d) the defendant used the offending mark in relation to goods in respect of which the trade mark was registered; and (e) the defendants used the offending mark in such a manner as to render the use of the mark likely to be taken as being used as a trade mark. (paras 28 & 66)

(5) The 2nd plaintiff's Registered Trade Marks had been registered for more than seven years and they were regarded as valid and conclusive in all legal proceedings. As such, the allegations of non-use were totally irrelevant to the claim for a trade mark infringement. Further the plaintiffs' products bearing the 2nd plaintiff's Registered Trade Marks were available for purchase over the internet. Sale of goods bearing a trade mark over the internet or via a website is a use of the trade mark. (paras 69, 71, 72 & 73)

Case(s) referred to:

Acushnet Company v. Metro Golf Manufacturing Sdn Bhd [2006] 7 CLJ 557 HC ***(refd)***

Binariang Communications Sdn Bhd v. I & P Inderawasih Jaya Sdn Bhd [2000] 3 CLJ 789 CA ***(refd)***

Chen Heng Ping & Ors v. Intradagang Merchant Bankers (M) Berhad [1995] 3 CLJ 690 CA ***(refd)***

Fabrique Ebel Societe Anonyme v. Sykt Perniagaan Tukang Jam City Port & Ors [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537 HC ***(refd)***

Gilette UK Limited & Anor v. Edenwest Limited [1994] RPC 279 ***(refd)***
Metramac Corporation Sdn Bhd v. Fawziah Holdings Sdn Bhd [2006] 3 CLJ 177 FC ***(refd)***
Oertli AG v. EJ Bowman (London) LD & Ors [1956] RPC 282 ***(refd)***
Panhard et Levassor v. Panhard Levassor Motor Company Ltd [1901] 198 RPC 405 ***(refd)***
Perkapalan Shamelin Jaya Sdn Bhd & Anor v. Alpine Bulk Transport New York [1998] 1 CLJ 424 CA ***(refd)***
Renofac Builder (M) Sdn Bhd v. Chase Perdana Bhd [2001] 5 CLJ 371 HC ***(refd)***
Sejahratul Dursina v. Kerajaan Malaysia & Ors [2006] 1 CLJ 593 FC ***(refd)***
Shell-Mex and BP Ltd v. Manchester Garages Ltd [1971] 1 All ER 841 ***(refd)***
Sri Minal Construction Sdn Bhd v. Mobil Oil Malaysia Sdn Bhd [2005] 4 CLJ 767 CA ***(refd)***
Suhner & Co AG v. Sunher Ltd [1967] RPC 336 ***(refd)***
1-800 Flowers Inc v. Phonenames Ltd [2002] FSR 12 ***(refd)***

Legislation referred to:
Rules of the High Court 1980, O. 2 r. 3, O. 13 r. 3, O. 14 rr. 1, 2(1)
Specific Relief Act 1950, ss. 51(2), 52(3)
Subordinate Courts Rules 1980, O. 1 r. 6
Trade Marks Act 1976, ss. 3(1), (2), 35(1), 36, 37, 38(1)(a), (i)(a), 40

Other source(s) referred to:
Jeremy Phillips & Hanah Simon (Eds), *Trade Mark Use* (Oxford University Press, 2005), pp. 276-277
P Narayanan, *Law of Trade Mark and Passing Off*, 4th edn (Eastern Law House, 1991), para 24-24
Roger Bird, *Osborn's Concise Law Dictionary*, (Sweet & Maxwell), 7th edn, 1983, p 163
Sinnadurai, *Law of Contract*, 3rd edn, vol, 1, para. 14.68, p. 868
Teo Bong Kwang, *Trade Mark Law and Practice in Malaysia* (Butterworth, 2001), p 364

For the plaintiffs - Teo Bong Kwang; M/s Wong Jin Nee & Teo
For the defendants - KC Wan; M/s KC Wan Co

Reported by Amutha Suppayah

JUDGMENT

Ramly Ali J:

[1] Enclosure 9 is an application for summary judgment based on the cause of action for trade mark infringement pursuant to O. 14 of the Rules of the High Court 1980 ("RHC").

[2] The plaintiffs in this case have instituted the present action for both trade mark infringement and passing off. However, the present application for summary judgment is only limited to trade mark infringement.

[3] By way of summons-in-chambers (encl. 9) the plaintiffs pray for the following orders:

(a) A permanent injunction to restrain the 1st, 2nd and 3rd defendants, whether acting by themselves, their directors, employees, servants or agents, whether jointly or severally or any of them or otherwise howsoever from doing the following acts, that is to say:

(i) infringing the 2nd plaintiff's Registered Trade Marks "ABERCROMBIE & FITCH" trade mark registration number 94/07752 in class 25 and "ABERCROMBIE" bearing trade mark registration number 00/002245 in class 25 (hereinafter shall be referred to as "the plaintiffs' Registered Trade Marks") by the use thereof in the course of trade the trade marks "ABERCROMBIE & FITCH" and/or "ABERCROMBIE" and/or any other marks confusingly similar to the plaintiffs' Registered Trade Marks; and

(ii) using in any way in the course of trade or business, on or in association with any articles of clothing, footwear and headgear the marks "ABERCROMBIE & FITCH" and/or "ABERCROMBIE" or any part or parts thereof or any word or design that is deceptively or confusingly similar to the marks "ABERCROMBIE & FITCH" and/or "ABERCROMBIE";

(b) a permanent injunction to restrain the 4th and 5th defendants, whether acting by themselves, their servants or agents, companies controlled or owned by them, whether jointly or severally or any of them or otherwise howsoever from doing the following acts, that is to say:

(i) infringing the plaintiffs' Registered Trade Marks by the use thereof in the course of trade the trade marks "ABERCROMBIE & FITCH" and "ABERCROMBIE" and/or any other marks confusingly similar to the plaintiffs' Registered Trade Marks; and

(ii) using in any way in the course of trade or business, on or in association with articles of clothing, footwear, headgear the words "ABERCROMBIE & FITCH" and/or "ABERCROMBIE" and/or "A F" and/or "A. FITCH" or any part or parts thereof or any word or design that is deceptively or confusingly similar to the marks "ABERCROMBIE & FITCH" and/or "ABERCROMBIE";

(c) an order that all the defendants, whether acting by themselves, their servants or agents or any of them or otherwise howsoever, do deliver up and surrender to the plaintiffs' solicitors, their servants or agents or any designated party, or at the plaintiffs' option, destruction upon oath, of all goods, articles, papers, signboards, stationery and materials in the possession, power, custody or control of all the defendants, the use of which will offend against the foregoing injunctions or any of them, within seven days from the date of the Order;

(d) an order that all the defendants or any of them whether acting by themselves, their directors, officers, servants or agents or any of them, or otherwise howsoever within seven days from the date of the Order do effect a discovery upon oath by disclosing, listing, stating and verifying the same by affidavit the following information and documents:

(i) the exact whereabouts of all infringing articles of clothing, footwear or headgear (hereinafter shall be referred to as "Infringing Goods") which are in the power, possession, control or custody of the defendants whether in the course of transport or shipment to or from the defendants and which have yet to be surrendered pursuant to the delivery up Order herein;

(ii) to the best of the defendants' knowledge and belief:

– the names and addresses of all persons or companies who have infringed the plaintiffs' Registered Trade Marks;

– the names and addresses of all persons or companies who have supplied or offered to supply the defendants or any of them with the Infringing Goods;

– the names and address of all the persons to whom they have supplied or offered to supply any of the Infringing Goods; and

– full details of the dates and quantities of each offer to supply and actual supply referred to in paras. 4.2.1, 4.2.2 and 4.2.3 hereof together with the relevant purchase orders, delivery orders, import documentation, bills of lading, or any other related documents.

(e) an order for the defendants to pay the costs and expenses for the preparation and publication of notices in the local press to notify the trade and public that goods bearing the marks "ABERCROMBIE & FITCH" and/or "ABERCROMBIE" sold or offered for sale by them at all their FOS outlets are not manufactured by or on behalf of the plaintiffs and to express regret of their activities, within seven days from the date of the Order;

(f) an inquiry as to damages in respect of the defendants' acts of trade mark infringement together with an order for payment of all sums found due upon taking such inquiry;

(g) interest on the amounts found due to the plaintiffs calculated from the date of this writ until realisation as this court deems fit;

(h) costs; and

(i) such further and/or other relief as this court deems fit.

[4] The grounds for this application are set out briefly as follows:

(a) The 2nd plaintiff is the registered proprietor of the "ABERCROMBIE & FITCH" and "ABERCROMBIE" trade marks in class 25 in Malaysia in respect of "articles of clothing, footwear, headgear, all included in class 25" (hereinafter shall be referred to as "the plaintiffs' products"). Details for the 2nd plaintiff's registered trade marks are as set out below:

(i) Trade Mark ABERCROMBIE & FITCH, Registration No: 94007752 for class 25; and

(ii) Trade Mark ABERCROMBIE, Registration No: 00002245, for class 25;

(b) the defendants or any of them have infringed and have the intention to continue to infringe the 2nd plaintiff's registered trade marks;

(c) the defendants have no defence to the plaintiffs' claim for trade mark infringement; and

(d) the defendants or any one of them, unless restrained by injunction will continue the infringing acts complained of.

The Plaintiffs

[5] The 1st plaintiff and 2nd plaintiff are corporations duly organised and existing under the laws of the State of Delaware in the United States of America. The 2nd plaintiff is a wholly owned subsidiary of the 1st plaintiff.

[6] The plaintiffs and/or their predecessors were founded in 1892 and the plaintiffs are a leading specialty retailer encompassing four concepts and/or brands, ie, ABERCROMBIE & FITCH, ABERCROMBIE, Hollister Co., and RUEHL. The plaintiffs' premium quality products are sold in retail stores throughout the United States of America, Canada, the United Kingdom and as well as through catalogs. The plaintiffs operate 357 ABERCROMBIE & FITCH stores, 173 ABERCROMBIE stores, 377 Hollister Co. stores and 12 RUEHL stores in the United States and operate 3 Abercrombie & Fitch stores and 3 Hollister Co. stores in Canada as well as 1 Abercrombie & Fitch store in London, United Kingdom. The plaintiffs also operate e-commerce websites at www.abercrombie.com, www.abercrombiekids.com and www.hollisterco.com which sell their products to various countries worldwide including Malaysia.

[7] The 2nd plaintiff is the registered proprietor of the "ABERCROMBIE & FITCH" and "ABERCROMBIE" trade marks in class 25 in Malaysia, for articles of clothing, footwear and headgear.

[8] The 2nd plaintiffs Registered Trade Marks are and have at all material times been valid and subsisting.

A **The Defendants**

[9] The 1st, 2nd and 3rd defendants are companies incorporated in Malaysia with their registered office at Room 101, Tingkat 1, No. 368, Jalan Pudu, 551000 Kuala Lumpur.

B **[10]** The 1st, 2nd and 3rd defendants are in the business of retailing, wholesaling and distributing garments, textiles and fashion goods operating outlets with business addresses including without limitation as follows:

C (a) Maju Junction Mall, Anchor Tenant 1.01, Level 1, 1001, Jalan Sultan Ismail, 50250, Kuala Lumpur;

(b) Lot S223, Promenade 1 Utama Shopping Centre Bandar Utama, 47300 Petaling Jaya, Selangor;

D (c) 20, Jalan Jurunilai U1/20, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor;

(d) G27D2 & G27E, Ground Floor, Subang Parade Shopping Centre, Subang, Selangor; and

E (e) LG6, Lower Ground Floor, Bangsar Village Centre, Bangsar, Kuala Lumpur.

[11] It is apparent from exhs. "SB4", "SB5" and "SB6" that the 1st, 2nd and 3rd defendants are connected, affiliated and/or are F associated companies wherein all are having the same registered address, ie, Room 101, Tingkat 1, No. 368, Jalan Pudu, 55100 Kuala Lumpur. The 1st, 2nd and 3rd defendants are also all operating under the same trading name, ie, "Factory Outlet Store" and/or "F.O.S" at the above-said outlets. G

[12] The 4th and 5th defendants are the only common directors and shareholders of the 1st, 2nd and 3rd defendants.

Defendants' Preliminary Objections

H **[13]** In the affidavit in reply of Cheong Teck Foo affirmed on 17 July 2007 the defendants raised the following preliminary objections:

(a) that the plaintiffs application for summary judgment is flawed I because the 1st plaintiff is not the proprietor of the registered trade marks;

(b) the plaintiffs' application for summary judgment is dangerously wide ranging in that it seeks to unjustly benefit both the 1st and 2nd plaintiffs;

(c) that there is a delay in the plaintiffs' application for summary judgment.

[14] In dealing with preliminary objections, first and foremost the court is guided by the provisions of O. 2 r. 3 of the RHC which provides:

> A Court or judge shall not allow any preliminary objection by any party to any cause or matter or proceedings only on the ground of non-compliance of any of these Rules unless the Court or judge is of the opinion that such non-compliance has occasioned a substantial miscarriage of justice.

[15] In considering the defendants' preliminary objections that the application for summary judgment is flawed because the 1st plaintiff is not the proprietor of the registered trade marks and that the plaintiff's application for summary judgment is "dangerously wide ranging" in that it seeks to unjustly benefit both the 1st and 2nd plaintiffs, the court is of the view that:

(a) the summons in chambers (encl. 9) clearly states that it is "for a final judgment in this action against the defendants pursuant to O. 14 r. 1 of the Rules of the High Court 1980 for trade mark infringement as appears by the statement of claim herein and for the following relief as claimed therein". The relief for trade mark infringement as appear in the statement of claim is only available to the 2nd plaintiff and the plaintiffs have indicated that they are prepared to accept any order which this court may make to that effect after the hearing of the summons for summary judgment;

(b) the action is instituted in both plaintiffs' name because it is based on two causes of action ie, trade mark infringement and passing off. The facts of the case for trade mark infringement and passing off *vis-a-vis* the plaintiffs are in fact interwined to some extent. The 2nd plaintiff is a wholly owned subsidiary of the 1st plaintiff. As a result of the use of the 2nd plaintiff's Registered Trade Marks namely "ABERCROMBIE & FITCH" and "ABERCROMBIE" by the 1st and 2nd plaintiffs, the goodwill and reputation subsisting in them are shared by both the 1st and 2nd plaintiffs;

(c) the fact that the summons in chambers (encl. 9) states that the application is made by the plaintiffs, without specifying which plaintiff, does not *ipso facto* make the application "flawed" as it is very clear that the application is based solely on the claim for trade mark infringement. This is made abundantly clear in the grounds appearing in the summons in chambers itself and the supporting affidavit that the application is in respect of the 2nd plaintiffs claim for trade mark infringement. This is in full compliance with the requirements of O. 14 r. 2(1) RHC 1980 wherein it is provided that an application under r. 1 must be made by summons supported by an affidavit in Form 18 verifying the facts on which the claim or the part of the claim, to which the application relates is based. The defendants are obviously made aware by the summons in chambers and the supporting affidavit that the claim is for trade mark infringement only. They are in not a way prejudiced by the non-differentiation of the plaintiffs in the beginning part of the summons in chambers.

[16] More importantly, this court is entitled to give such judgment for the appropriate plaintiff on any part of the claim as may be just having regard to the nature of the remedy or the relief claimed. (See: O. 13 r. 3 of RHC 1980).

[17] With regard to the defendants' objection that there was delay in filing the application for summary judgment, the court finds that there is in fact no inordinate delay. The chronology of events leading to the filing of the present application on 12 June 2007 is as follow:

(a) the statement of claim was filed on 12 February 2007;

(b) the 1st, 2nd and 3rd defendants entered appearance on 22 March 2007;

(c) the 4th and 5th defendants have entered appearance on 13 April 2007;

(d) the defendants served their defence dated 13 April 2007 on the plaintiffs' solicitor on 16 April 2007; and

(e) the summons in chambers for summary judgment was filed on 12 June 2007.

[18] In other words, the present application for summary judgment was approximately two months after the filing of appearance by the 4th and 5th defendants and their defence. There is no inordinate delay. In any event the reason for the slight delay has been explained in para. 42 of plaintiffs' affidavit which is reproduced herewith:

> 42. The Plaintiffs are based in the United States of America and the decision making process for instituting the present application involved some deliberations. The practical problem of affirming an affidavit in the Malays language in the United States of America also contributed to the time needed to file this application. In light of the above, I verily believe that the application for summary judgment has been made as expeditiously as possible after the defence was filed.

[19] Notwithstanding the above, the court is of the view that that two month delay should not deprive the plaintiffs of an O. 14 remedy. This is clearly borne out by the decision of the Court of Appeal in *Perkapalan Shamelin Jaya Sdn. Bhd. & Anor v. Alpine Bulk Transport New York* [1998] 1 CLJ 424 wherein the NH Chan JCA stated at p. 430 that:

> Delay in applying for O. 14 is no ground for defeating the Plaintiffs right to summary judgment under O. 14 when there is no real defence disclosed.

[20] As such, the court rules that the preliminary objections of the defendants should be dismissed with costs.

Relevant Provisions Relating To Trade Mark Infringement

[21] The relevant provisions relating to trade mark rights and infringement are ss. 35, 36 and 38(i)(a) of the Trade Marks Act 1976.

[22] Section 35(1) of the Trade Marks Act 1976 provides:

> (1) Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register.

[23] Section 36 of the same Act provides:

> In all legal proceedings relating to a registered trade mark (including applications under section 45) the fact that a person is registered as proprietor of the trade mark shall be *prima facie* evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof.

[24] Section 38(1)(a) of the same Act provide:

> (1) A registered trade mark is infringed by a person who not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either:
>
> (a) as being use as a trade mark.

Jurisdiction To Grant Summary Judgment For Permanent Injunction

[25] The High Court is clearly empowered or seized of the jurisdiction to grant a summary judgment for trade mark infringement even if it involves a claim for permanent mandatory injunction. This is clearly borne out by the authorities of *Fabrique Ebel Societe Anonyme v. Sykt Perniagaan Tukang Jam City Port & Ors* [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537; *Shell-Mex and BP Ltd. v. Manchester Garages Ltd.* [1971] 1 All ER 841; *Binariang Communications Sdn Bhd v. I & P Inderawasih Jaya Sdn Bhd* [2000] 3 CLJ 789 and the recent decision of *Acushnet Company v. Metro Golf Manufacturing Sdn. Bhd.* [2006] 7 CLJ 557.

[26] In the *Fabrique Ebel* case, the learned judge Zakaria Yatim J held that it is clear that the court has jurisdiction to enter summary judgment under O. 14 of the Rules of the High Court 1980 for an injunction. Reliance was placed in the English Court of Appeal case of *Shell Mex and BP Ltd. v. Manchester Garages Ltd.* cited above wherein Lord Denning said:

> It is true that a master has no power to grant an injunction, but the judge has ample power. I see no reason whatever why a Plaintiff cannot go straight to the judge and ask for summary judgment under RSC Order 14 for an injunctio. The Plaintiffs were quite entitled to go under RSC Order 14 to the judge for an injunction.

[27] The decisions of *Fabrique Ebel* and *Shell-Mex* were affirmed and adopted in our Court of Appeal decision of *Binariang Communications Sdn. Bhd. v. I & P Inderawasih Jaya Sdn. Bhd.* In the *Binariang Communications Sdn. Bhd.* case, the respondent successfully obtained summary judgment against the appellant for *inter alia*, a mandatory injunction directing the appellant to dismantle and remove all the structure and appurtenances that they had installed on the roof of the respondent's building within seven days of the date of the order and a prohibitory injunction restraining the appellant from further acts of trespass into the respondent's property. During the appeal the issue of whether injunctive relief can be obtained by way of O. 14 proceedings was raised. The learned judge Siti Norma JCA held:

> That same issue was raised in the case of *Shell-Mex & BP v. Manchester Garages Ltd.* [1971] 1 All ER 841, where the English Court of Appeal held that it was perfectly proper for a Plaintiff to ask for an injunction in summary proceedings under Order 14 provided such an application was made to a judge and not to the Master as the latter had no jurisdiction to issue any injunctive relief. That decision was followed by Zakaria J (as he then was) in *Fabrique Ebel Societe Anonyme v. Sykt Perniagaan Tukang Jam City Port & Ors* [1989] 1 CLJ 919; ([1989] 1 CLJ (Rep) 537), where he elaborated that as long as three (3) conditions have been fulfilled, there is no restriction in law to prevent a Plaintiff from proceeding to obtain injunctive relief in Order 14 proceedings before a judge.

[28] In the *Fabrique Ebel* case, the learned judge Zakaria Yatim J at pp. 539-540 (pp. 542-543) held as follows:

> (1) The Court has jurisdiction to enter summary judgment under Order 14 of the Rules of the High Court for an injunction;
>
> (2) in order to succeed in its application for summary judgment under Order 14, the Plaintiff must satisfy three (3) conditions as laid down in O. 14. Firstly, the Defendants must have entered appearance. Secondly, the statement of claim has been served on the Defendants. Thirdly, the application for summary judgment must be supported by affidavit. In this case, the Plaintiff has satisfied all the three (3) conditions;
>
> (3) in order to establish infringement of a trade mark under s. 38(1)(a), the Plaintiff has to satisfy the following five (5) requirements;

A (a) the Defendants used the mark identical with the Plaintiff's mark;

(b) the offending mark was used by persons who have not been authorised or licensed by the Plaintiff;

B (c) the Defendants were using the offending mark in the course of trade;

(d) the Defendants used the offending mark in relation to goods in respect of which the trade mark is registered; and

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(e) the Defendants used the offending mark in such a manner as to render the use of the mark likely to be taken as being used as a trade mark. In this case, the Plaintiff has satisfied all the five (5) requirements.

D (4) since the Plaintiff is applying for summary judgment against the Defendants on an action for infringement, comparison must be made between the Plaintiff's registered mark and the mark used by the Defendants. Having made the comparison and having considered the evidence in the affidavits, the E Court was satisfied that the Defendants had infringed the Plaintiff's registered trade mark under section 38(1)(a) of the Trade Marks Act 1976;

(5) from the affidavits and the statement of defence filed by the Defendants, they have not disclosed any triable issue at all. F Their defence is a bare denial without giving any particulars at all;

(6) the Plaintiff's application for final judgment under Order 14 must therefore be allowed.

G **[29]** This court has approved and applied the *Fabrique Ebel* decision in *Acushnet Company v. Metro Golf Manufacturing Sdn. Bhd.* cited above.

[30] The summary of the legal position was aptly put by the H learned author, David Bean in his book: *Injunctions*, 7th Edition, *FT Law & Tax*, in the following words:

> A Plaintiff may seek summary judgment under RSC O. 14, for a perpetual injunction (*Shell-Mex & BP Ltd v. Manchester Garages Ltd.* [1971] 1 WLR 612). The application must be made directly by I summons to a Judge in Chambers since a master has no power to grant an injunction except by consent.

[31] The court is also aware of the provisions of s. 51(2) of the Specific Relief Act 1950 which provides:

> A perpetual injunction can only be granted by the decree made at the hearing and upon the merits of the suit; the Defendant is thereby perpetually enjoined from the assertion of a right, or from the commission of an act, which would be contrary to the rights of the Plaintiff.

[32] The purpose of s. 51(2) is to prohibit granting of a perpetual or final injunction, in contrast to an interlocutory injunction which can be grant *ex parte*, without the other party being heard. In other words a perpetual or final injunction can only be granted after an *inter partes* hearing. For this proposition the court refers to Sinnadurai's *Law of Contract*, 3rd edn, Vol. 1, at para. 14.68 at p. 868 wherein the learned author states:

> Generally, injunctions are of two (2) types: interlocutory or final. The Specific Relief Act 1950 employs the term 'temporary injunction' to refer to 'interlocutory injunction'; and the term 'perpetual injunction' to mean 'final injunction': see section 50(1) and (2) of the Specific Relief Act 1950. The terms '*ex parte*' and '*inter partes*' are also commonly used: where the Plaintiff is seeking for an injunction, and if the Defendant had not been served with an application so as to enable the Defendant to contest the application, it is said to be *ex parte*, whereas, if the Defendant had been served with the application, it is referred to as *inter partes*. In other words, an *ex parte* injunction is one where it is granted without the other party being given an opportunity to contest it. Therefore, generally *ex parte* injunctions tend to be interlocutory. A final injunction is granted after an *inter partes* hearing, and as section 51(2) provides 'can only be granted by the decree made at the hearing and upon the merits of the suit'.

[33] In this context, the court rules that the definition of "hearing" as found in s. 51(2) encapsulates a meaning that is wider than just a trial. Thus the word "hearing" may encompass a trial or any other proceedings where evidence and arguments are listened to by a presiding judge or an official of the court. As such, a "hearing" does not necessarily be confined to a trial. According to *Osborn's Concise Law Dictionary* by Roger Bird, 7th edn, (Sweet & Maxwell, (1983), at p. 163, a "hearing" means "a trial or motion for judgment".

[34] The meaning of "hearing" in the context of the Subordinate Courts Rules 1980, has been explained in the case of *Sri Minal Construction Sdn. Bhd. v. Mobil Oil Malaysia Sdn. Bhd.* [2005]

A 4 CLJ 767 to mean "any proceedings" and when a matter is called on hearing it means that the action is called on for the conduct of any proceeding related to the action. The Court of Appeal further explained that in that context, "proceedings" can only mean any business that needs to be conducted. Although this
B case concerned an interpretation of the meaning of "hearing" found in O. 1 r. 6 of the Subordinate Courts Rules 1980, the court is of the view that it is nevertheless an authority which may assist this court in coming to a conclusion on the meaning of "hearing" found in the Specific Relief Act 1950.

C

[35] Further, the decision of *Sejahratul Dursina v. Kerajaan Malaysia & Ors* [2006] 1 CLJ 593 supports the contention that "hearing" include any hearing of an application. Here the Federal Court was dealing with the issue whether there is a distinction
D between the date of hearing and the date of decision. The Federal Court ruled at para. 26 at p. 602:

> First, we do not think we should or could separate the date of hearing from the date of decision. The date fixed for a decision in fact forms part of the hearing. As always happens, even on
E the date fixed for decision, counsel still seek, and are usually allowed, unless the request is unreasonable, to make further submissions or to clarify a fact or to bring ... the Court of the latest development. The hearing of an application certainly includes the decision thereof.

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[36] The above view on the meaning of "hearing" has been accepted as correct in the Federal Court case of *Metramac Corporation Sdn. Bhd. v. Fawziah Holdings Sdn. Bhd.* [2006] 3 CLJ 177 at p. 194.

G **[37]** To summarise, the court rules that a perpetual injunction can be obtained in a summary judgment application as long as the court hears both parties on the merits.

[38] It is also stated at s. 52(3) of the Specific Relief Act 1950
H that:

> When the Defendant, invades or threatens to invade the Plaintiff's right to, or enjoyment of, property, the Court may grant a perpetual injunction in the following cases, namely:
>
> I (a) where the Defendant is trustee of the property for the Plaintiff;

(b) where there exists no standard for ascertaining the actual damage cause, or likely to be caused, by the invasion; A

(c) where the invasion is such that pecuniary compensation would not afford adequate relief;

(d) where it is probable that pecuniary compensation cannot be got for the invasion; and B

(e) where the injunction is necessary to prevent a multiplicity of judicial proceedings.

[39] From the relevant sections of the Specific Relief Act 1950, as mentioned above, there is no provision in the Specific Relief Act 1950 which prohibits the High Court from awarding an injunction at the summary judgment application. On the contrary, the provisions of the Specific Relief Act 1950 in fact provide for instances where injunctions can be awarded and this includes instances of trade mark infringement when these are evidence to show that the use of the trade mark by the plaintiff is honest. C D

Requirements For Summary Judgment

[40] As stated earlier, in *Fabrique Ebel* case, in order to succeed in their application for summary judgment under O. 14, the plaintiffs must satisfy three preliminary conditions as laid down in the Order: firstly, the defendants must have entered appearance; secondly, the statement of claim has been served on the defendants; and thirdly, the application for summary judgment must be supported by affidavit. E F

[41] In the present case, the plaintiffs have satisfied the three preliminary requirements for an application for summary judgment in the following manner: G

(a) the 1st, 2nd and 3rd defendants entered appearance to this action on 22 March 2007;

(b) the 4th and 5th defendants entered appearance to this action on 13 April 2007. H

(c) the statement of claim had been fully served on the defendants on 15 March 2007; and

(d) this application for summary judgment which was filed on 12 June 2007 is supported by Shane's affidavit. I

A **Summary Judgment For Trade Mark Infringement**

[42] In order to succeed in their application under O. 14 RHC 1980, the plaintiffs in the present case must on merit establish their cause of action against the defendants for trade mark
B infringement and that the defendants have not raised any defence to the plaintiffs' claim or any triable issue for that matter. Once the plaintiffs succeed in making out a *prima facie* case against the defendants, the onus then shifts to the defendants to show to this court as to why summary judgment should not be entered against
C them. What constitute a triable issue in an application for summary judgment?

Triable issue means issue raised by the defendants which is fit to be tried. The defendants must provide answers on oath which constitute evidence that they have defence which is fit to be tried.
D Denial in a defence does not constitute evidence (see: *Chen Heng Ping & Ors v. Intradagang Merchant Bankers (M) Berhad* [1995] 3 CLJ 690; and *Acushnet Company v. Metro Golf Manufacturing Sdn. Bhd. (supra)*. A mere bare assertion by the defendants would not be sufficient. The duty of the court is quite onerous in the
E extreme. The court must be vigilant and must view in prospective at the whole scenario in order to ascertain whether the defendants have a real or what is commonly known as a *bona fide* defence.

F (see: *Renofac Builder (M) Sdn. Bhd. v. Chase Perdana Bhd.* [2001] 5 CLJ 371).

[43] At the end of the day, to borrow the phraseology used in the *Acushnet Company* case,

G

> the only issue for the Court to determine in the present case is one of law, ie, whether based on the facts available there has been an infringement of the Plaintiff's registered trade mark…

[44] The facts made available in the present case clearly show
H that there is infringement of the 2nd plaintiff's Registered Trade Mark "ABERCROMBIE & FITCH" and "ABERCROMBIE" by the defendants based on the particulars below.

[45] It should be pointed out at the outset that it is not
I disputed by the defendants that they are and have been using the trade marks "ABERCROMBIE & FITCH" and "ABERCROMBIE". The defendants also do not seriously dispute

the various trap purchases made and the search and seizures made by the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs.

[46] On 28 May 2006, the 2nd defendant had sold to the plaintiffs' representative a t-shirt bearing the "ABERCROMBIE & FITCH" and/or "ABERCROMBIE" trade mark.

[47] On 24 June 2006, the 2nd defendant had sold to the plaintiffs' representative a t-shirt bearing the Offending Marks.

[48] On 22 July 2006, The 3rd defendant had sold to the plaintiffs' representative, two t-shirt bearing the Offending Marks.

[49] On 24 September 2006, the 2nd defendant had sold to the plaintiffs' representative a t-shirt bearing the Offending Marks.

[50] On 18 November 2006, the 2nd defendant had sold to the plaintiffs' representative a t-shirt bearing the mark "A F" and the description "established 1892", the year the plaintiffs' predecessors were established.

[51] On 25 December 2006, the 1st defendant had sold to the plaintiffs' representative two t-shirts bearing the Offending Marks.

[52] On 19 March 2007, the 1st defendant had sold to the plaintiffs' representative two t-shirts bearing the Offending Marks.

[53] The aforementioned articles of clothing sold to the plaintiffs' representative by the 1st, 2nd and 3rd defendants bearing the Offending Marks were verified and confirmed by the plaintiffs to be goods not of their manufacture.

[54] On 8 August 2006, the Wilayah Persekutuan and Shah Alam Branches of the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs had conducted search and seizure of goods bearing the Offending Marks at the premises of the 1st, 2nd and 3rd defendants. A total of 2240 units of various articles of clothing were seized from the following premises of:

(a) the 1st defendant located at G27D2 & G27E, Ground Floor, Subang Parade Shopping Centre, Subang, Selangor;

(b) the 2nd defendant located at Lot E11 & E12, Promenade 1 One Utama Shopping Centre, 1 Lebuh Bandar Utama, Damansara, Selangor; and

(c) the 3rd defendant located at LG6, Lower Ground Floor, Bangsar Village Centre, Bangsar, Kuala Lumpur.

The goods seized have been confirmed by the plaintiffs as goods not manufactured by or on behalf of the plaintiffs.

[55] It is apparent that the defendants have committed blatant infringements of the 2nd plaintiff's Registered Trade Marks.

[56] With regard to the issue of infringement of the 2nd plaintiff's Registered Trade Marks, the court is satisfied that the plaintiffs have satisfied the requirements as laid down in *Fabrique Ebel* case and approved in *Acushnet Company* decision (at p. 575):

(a) the defendants used the mark identical with the plaintiffs registered mark;

(b) the offending mark as used by persons who have not been authorised or licensed by the plaintiff;

(c) the defendant was using the offending mark in the course of trade;

(d) the defendant used the offending mark in relation to goods in respect of which the trade mark is registered; and

(e) the defendants used the offending mark in such a manner as to render the use of the mark likely to be taken as being used as a trade mark.

[57] The court shall now show how the plaintiffs have satisfied all the five requirements as demonstrated below.

The Defendants Used Marks Identical To The 2nd Plaintiff's Registered Trade Marks

[58] Firstly, the mark used by the defendants are identical to the 2nd plaintiff's Registered Trade Marks, namely "ABERCROMBIE & FITCH" and "ABERCROMBIE". The photographs exhibited as exhs. "SB8" to "SB14" and "SB16" of Shane's affidavit clearly show that the infringing articles of clothing bear the Offending Marks namely, "ABERCROMBIE & FITCH" and "ABERCROMBIE" which are identical with the 2nd plaintiff's Registered Trade Marks.

The Offending Marks Were Used By Persons Who Have Not Been Authorised Or Licensed By The Plaintiffs

[59] The plaintiffs confirm that neither of them has at any time licensed or authorised the defendants or any of them to use the 2nd plaintiff's Registered Trade Marks, "ABERCROMBIE & FITCH" nor "ABERCROMBIE" trade marks in the course of trade.

The Defendants Were Using The Offending Marks In The Course Of Trade

[60] The 1st, 2nd and 3rd defendants were displaying, offering for sale and selling articles of clothing bearing the Offending Marks at their business premises. Trap purchases of the infringing articles of clothing have been procured from the defendants and for which receipts of purchases were duly issued. Further, there were search and seizures conducted by the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs at the business premises of the 1st, 2nd and 3rd defendants whereby a substantial quantity of articles of clothing bearing the Offending Marks were seized. These articles of clothing have been duly confirmed by the deponent of Shane's affidavit to be counterfeits, ie, goods not manufactured by or on behalf of the plaintiffs.

The Defendants Used The Offending Marks In Relation To Goods In Respect Of Which The Trade Marks Are Registered

[61] The 2nd plaintiff's Registered Trade Marks, "ABERCROMBIE & FITCH" and "ABERCROMBIE" marks are registered in respect of "Articles of clothing, footwear and headgear".

[62] The offending articles offered for sale and sold by the defendants were articles of clothing, clearly falling within the ambit of the registered goods. The photographs exhibited as exhs. "SB-8" to "SB-14" and "SB-16" in Shane's affidavit clearly show that the defendants were using the trade marks "ABERCROMBIE & FITCH" and "ABERCROMBIE" on articles of clothing.

The Defendants Used The Offending Marks In Such A Manner As To Render The Use Of The Mark Likely To Be Taken As Being Use As A Trade Mark

[63] Section 3(1) of the Trade Marks Act 1976 defines a "trade mark" as:

A "trade mark" means ... a mark used ... in relation to goods ... for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services and a person having the right either as proprietor or registered user to use the mark whether with or without an indication of the identity of that person.

B

[64] It is also stated at s. 3(2) of the Trade Marks Act 1976 that:

(a) references to the use of a mark shall be construed as
C references to the use of a printed or other visual representation of the mark; and

(b) references to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to goods.

D

[65] It is beyond doubt the Offending Marks were being used as trade marks for the purposes of trade. This is not disputed by the defendants.

E **[66]** In conclusion, the court is satisfied that the plaintiffs have fulfilled all the five requirements as laid down in *Fabrique Ebel* case and therefore made out a clear case of trade mark infringement.

Defendants' Purported Defence

F **[67]** The defendants claim that they were the earlier or first user of the Offending Marks in Malaysia. However, it should be pointed out that this is a bare averment without any substantiating evidence. The defendants merely produced copies of their certificates of incorporation as evidence of the purported earlier
G use. The certificates of incorporation of company merely show that the defendants were incorporated in 1994. Surely it does not merit a trial to investigate this preposterous claim of first use based on this spurious evidence adduced. It is trite law, that the defendants must produce credible evidence to show that there is
H a case which merits a trial.

[68] In this regard, it should be pointed out that one of the 2nd plaintiff's Registered Trade Marks, namely "ABERCROMBIE & FITCH" was registered with effect from 27 August 1994. Any
I allegation of prior use, if it is to be of any legal significance, must be earlier than this. Since the 2nd and 3rd defendants were incorporated in 1999 and 1995 respectively, it is impossible that

they will be able to rely on the defence of prior use. Further, the 1st defendant was incorporated on 19 August 1994 under a different name, ie, "Fragrance World Sdn. Bhd.", and only changed its name to the present name in 1998. It is highly improbable that there would be any actual use of the Offending Marks as alleged before 27 August 1994.

[69] Further, the two registered marks of the 2nd plaintiffs were registered for more than seven years and they are to be treated as valid in all respects in all legal proceedings. See: section 37 of the Trade Marks Act 1976.

Third-Party Use

[70] The defendants even allege that there were third party uses of the subject trade marks. But surely a third party's infringement or crime does not afford a ground to exonerate the defendants from their nefarious activities.

Alleged Non-Use Of The Trade Marks

[71] The defendants also put into issue the alleged non-use of the 2nd plaintiff's Registered Trade Marks "ABERCROMBIE & FITCH" and "ABERCROMBIE" by the plaintiffs. However, it should be pointed out that the defendants do no raise any challenge to the validity of the registrations by counterclaim for expungement. As stated above, the 2nd plaintiff's Registered Trade Marks have been registered for more than seven years and they are to be regarded as valid and conclusive in all legal proceedings. As such, the allegations of non-use are totally irrelevant to the claim for a trade mark infringement. However, to put to rest any doubt which may arise as a result of such allegation, the court finds that it is incorrect and misleading to say that the plaintiffs have not used the 2nd plaintiff's Registered Trade Marks in Malaysia. As affirmed by the deponent in Shane's affidavit, the plaintiffs operate and maintain three e-commerce websites namely www.abercrombie.com, www.abercrokbiekids.com and www.gilisterco.com which sell their products to various countries worldwide including Malaysia.

[72] The plaintiff's products including articles of clothing bearing the 2nd plaintiff's Registered Trade Marks are available for purchase over the Internet. At all material times, the plaintiffs maintained and continue to maintain, *inter alia*, that the following websites which offer for sale the plaintiff's products bearing, the

A "ABERCROMBIE & FITCH" and "ABERCROMBIE" trade marks: www.abercrombie.com and www.abercrombiekids.com. All these websites are accessible to all customers who have access to the Internet including customers and/or potential customers in Malaysia. The plaintiffs have in fact sold and shipped products
B bearing the 2nd plaintiff's Registered Trade Marks to Malaysia customers in Malaysia.

[73] Sale of goods bearing a trade mark over the internet or *via* a website has been recognised as a use of the trade mark

C

[74] On appeal in *1-800 Flowers Inc. v. Phonenames Ltd.* [2002] FSR 12 CA, Buxton LJ has provided obiter these guidelines on whether use of a mark on the internet might be sufficient to constitute use of the mark in the United Kingdom for the purpose
D of trade mark law. Placing a mark on the internet from a non-United Kingdom location would not suffice. An active move, like direct encouragement to purchase the product or advertisement, would be necessary in order to establish the necessary use. In the United States personal jurisdiction cases can be divided into three
E categories:

(1) Active Web Sites: cases … where defendants actively conduct business on the internet in the forum state and personal jurisdiction is found;

F (2) Intermediate Web Sites interactive web site cases … where a user exchanges data with the host computer. In such cases, jurisdiction is determined by examining the level of interactivity and commercial nature of the information exchange;

G (3) Passive Web Sites: sites that merely provide information or advertisements. Decisions … refuse to find personal jurisdiction in such cases.

[75] The learned author Teo Bong Kwang, in his book – *Trade Mark Law and Practice in Malaysia* (Butterworth, 2001) at p. 364
H says the followings:

> One thing is clear from the decisions of Jacob J and Buxton LJ stated above, that is, mere access of a web site which carries a particular trade mark within the United Kingdom is not sufficient
I to constitute use of that mark in the United Kingdom. There must be some 'additional steps' taken by the website owner in order to bring the mark into use in the United Kingdom. What these additional steps are, will presumably depend on the circumstances

of each case. The most probable 'additional steps' are of course the actual provisions of the goods for sale over the Internet. Thus, if consumers access the web site and order the goods, as a result of the advertisement or information on the website, such transaction definitely qualifies as use of the trade mark.

[76] From the above case; *'1-800 - Flowers'*, it appears that the court took into account the intention and purpose for putting up the website. If the website is intended to be used to seek worldwide trade with a view towards commercial gain, (as in the present case), its activities fall squarely within the category of 'doing business over the internet' and may constitute 'use' for the purpose of trade mark proceedings. (see also: Jeremy Phillips & Hanah Simon (Eds) *Trade Mark Use* (Oxford University Press, 2005) pp. 276-277).

Infringement By The 4th And 5th Defendants

[77] The 4th and 5th defendants are the persons responsible for the incorporation and promotion of the 1st, 2nd and 3rd defendants as corporate bodies. As such they are the soul and mind of the 1st, 2nd and 3rd defendants and are therefore liable personally. The 4th and 5th defendants are the signatories of the Form 49 for the incorporation of the 1st, 2nd and 3rd defendants. This shows that they are promoters of these three companies.

[78] The court is satisfied that the 1st, 2nd and 3rd defendants were formed by the 4th and 5th defendants for the purpose of carrying out the sale, offer for sale of articles of clothing bearing the Offending Marks. It should be noted the 1st, 2nd and 3rd defendants are having a nominal sum of RM2 as issued up capital. The 4th and 5th defendants are the only directors and shareholders of the 1st, 2nd and 3rd defendants and they are the directing mind and will of the 1st, 2nd and 3rd defendants. The 1st, 2nd and 3rd defendants are merely instruments and/or façade used by the 4th and 5th defendants to carry out their nefarious infringing activities and as such they should be held liable for the infringement of the 2nd plaintiff's Registered Trade Marks as well.

[79] For the above proposition the court relies on the case of *Panhard et Levassor v. Panhard Levassor Motor Company Ltd.* [1901] 198 RPC 405. In this case the defendant is an English company having registered a name similar to that of French Motor Car Company, the plaintiff. The French company brought an action against the English company and the seven persons who signed

the Memorandum of Association. The plaintiffs prayed for an injunction to restrain the defendants from using the names "Panhard" and "Levassor" or either of them, or any other name colourably resembling the name of the plaintiffs in connection with the manufacture or sale of motor cars. The plaintiffs also prayed for an injunction to restrain the defendants, the signatories of the Memorandum of Association, from allowing the defendants company to remain registered under its present name. In this case the learned judge, Farwell J, ordered and adjudged that:

> the Defendants, the Panhard-Levassor Motor Company Ltd. and the seven (7) other Defendants, their servants or agents, be perpetually restrained from using the names of Panhard and Levassor or either of them, or otherwise colourably resembling the name of the Plaintiffs, in connection with the manufacture, use or sale of, or other dealing in, motor cars or parts thereof. And it was ordered that the seven (7) Defendants (other than the Company) naming them, do not allow the Defendant Company to remain registered under its present name, or any such title or description as aforesaid. All the Defendants were ordered to pay the Plaintiffs their costs of the action.

[80] The learned judge goes on to decide at p. 409:

> Then the only part of the case which has caused me a little difficulty is the claim against the seven (7) Defendants who have signed the Memorandum and who are the directors and only members of the Company. The allegation is that they have fraudulently and wrongfully and with intent to injure the Plaintiffs in their business conspired together to form, and have formed, and procured the Defendant Company to be registered, and so on. The conclusion I have come to is that it follows from my holding on the first point – namely, that the Defendant Company has the fraudulent intention of annexing the benefit of the Plaintiff's name – that the persons who have formed that Company and caused it to be registered are guilty in the eye of this Court of a fraudulent conspiracy to carry into effect that which the Company, an entity without body or soil, has attempted to do, and are liable in damages accordingly. I think it would certainly be exceedingly unfortunate if the Court were to hold that a limited Company could be formed with a very small nominal capital for the purpose of trying to do unlawful acts, fraudulent acts, illegal acts, and that no one would be liable except the incorporated body, which in the particular case may or may not have seven (7) pounds or seven (7) shillings capital.

[81] The decision of *Panhard et Legasor* was followed in *Suhner & Co. AG v. Sunher Ltd.* [1967] RPC 336.

[82] In *Oertli AG v. E. J. Bowman (London) LD and Others* [1956] RPC 282, the learned judge, Roxburgh J found that the individual defendants, as directors were liable to the plaintiffs for engaging in a course of dishonest trading for the purpose of passing-off.

[83] The learned author P. Narayanan in *Law of Trade Mark and Passing Off*, 4th edn, (Eastern Law House, 1991) at para 24-24 aptly summarises the legal position as follows:

> Where a limited company is the Defendant, the directors of the company cannot be joined as Co-Defendants unless they have personally committed or directed infringing acts. Persons directly responsible for the promotion of a company e.g. the signatories to the memorandum of association for the purpose of committing a wrongful act are liable to be made Defendants. Where a company had deliberately engaged in a course of dishonest trading for the purpose of passing off, the directors of the company may be held liable.

Conclusion

[84] In conclusion, the court is satisfied that the defendants have not raised any issue which merits a trial. In fact, "nothing would be gained by allowing the matter to go to trial" (per Blackburne J in *Gilette UK Limited and Anor v. Edenwest Limited* [1994] RPC 279 at p. 294) because, firstly all the allegations made and issues raised are not substantiated with any evidence. Secondly, these issues, even if they are proven, do not constitute any statutory defence to a claim or trade mark infringement as provided under s. 40 of the Trade Marks Act 1976. Clearly to raise any real prospect of defence, the defendants must descend to the particulars and adduce the relevant evidence to bring itself within the ambit of s. 40 of the Trade Marks Act 1976 which, the Defendants have failed miserably. At this juncture, it is perhaps most pertinent to refer to the passage of a learned judge, Mahadev Shankar JCA in *Chen Heng Ping & Ors v. Intradagang Merchant Bankers (M) Berhad* [1995] 3 CLJ 690:

> When an application is made for summary judgment under Order 14 supported by an affidavit which goes to show that there is no defence, the Defendants must show cause why leave to defend must be given. This means that the Defendants must provide answers on oath which constitute evidence that they have a defence which is fit to be tried. The Appellants in the present case do not appear to have appreciated this. Their affidavits merely relied on the defence they plead, which consists of bare denials and points of law which they could not sustain.

A **[85]** The defendants' affidavits in the present case "merely relied on the defence they pleaded, which consists of bare denials and points of law which they could not sustain" (to borrow the phrase of the learned judge in *Chen Heng Pings'* case).

B **[86]** Based on the above, the court finds that the defendants have failed to raise any triable issue to the clear case of Trade Mark Infringement as established by the 2nd plaintiff. Therefore, a final judgment in favour of the 2nd plaintiff as prayed for in the summons in chambers (encl. 9) be entered against all the C defendants with costs.

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